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USDA FAS WASHDC FOR RON CROUSHORN EXPORT CREDITS  
FAA/AME/PHOFFMAN

FROM AMBASSADOR JETER AND AGATTACHE, LAGOS

E.O. 12958, N/A

TAGS: [EAGR](#) [EAID](#) [PREL](#) [NI](#)

SUBJECT: NIGERIA: FOOD FOR PROGRESS PROPOSAL

REF: TOFAS 013 DATED AUGUST 22, 2002

[1](#)1. Action Request; Para two

[1](#)2. The American Embassy in Nigeria requests Washington reconsideration of our proposed government-to-government "Food for Progress" activity. This proposal, presented by President Olusegun Obasanjo, requests an allocation of 12,500 MT of rice to implement the Women's Initiative for Sex Education and Empowerment (WISE) in Nigeria. We believe the sale of this donated rice will be not only beneficial in terms of the targeted audience of the WISE project but also will complement other objectives of our Mission Program Plan.

[1](#)3. The Mission has several programs in place that focus on health. However, due to the very high incidence of HIV/AIDS in Nigeria, as well as the lack of direct support to vulnerable young women, we believe this program will be especially beneficial in central Nigeria. Abuja, Nigeria's new capital city, for example, has one of the highest incidences of HIV/AIDS in the country.

[1](#)4. President Obasanjo has a very keen interest in this program. On numerous occasions, he has asked me as well as the AfriCare representative for information about the status of the proposal.

[1](#)5. Approval of this program may help provide Nigeria's private sector as well as the Mission with leverage in other areas. For example, several rice processors/importers are currently seeking a five percent duty on imported paddy rice. However, most of the rice imported is parboiled rice from India and Thailand which is subject to a duty of 100 percent. The U.S. would be able to supply a greater share of the market if the GON were to agree to support this private sector proposal for a two-tiered duty for rice.

[1](#)6. The GON is increasingly using protectionist measures such as import bans to support local agriculture/agro-processing. Realistically, Nigeria cannot become self-sufficient in most product areas due to insufficient infrastructure and credit, high cost of inputs, etc. USG support in the form of government-to-government food aid, may encourage the GON to rely on methods to support the agriculture sector.

[1](#)7. We understand this proposal was considered under a competitive process. However, given the Mission's strong support for this initiative, we hope funding can be found to move the project forward.

JETER